

Requested by: Representatives Earle, Nye, Easterling, Hardaway, Redwine, Senators Martin of Guilford, Plyler, Perdue, Odom

CHILD CARE SUBSIDIES

Section 11.47.(a) The maximum gross annual income for initial eligibility, adjusted biennially, for subsidized child care services shall be seventy-five percent (75%) of the State median income, adjusted for family size.

Section 11.47.(b) Fees for families who are required to share in the cost of care shall be established based on a percent of gross family income and adjusted for family size. Fees shall be determined as follows:

FAMILY SIZE	PERCENT OF GROSS FAMILY INCOME
1-3	9%
4-5	8%
6 or more	7%

Section 11.47.(c) Payments for the purchase of child care services for low-income children shall be in accordance with the following requirements:

- (1) Effective October 1, 1999, religious-sponsored child care facilities operating pursuant to G.S. 110-106 and licensed child care centers and homes that meet the minimum licensing standards that are participating in the subsidized child care program shall be paid the county market rate or the rate they charge privately paying parents, whichever is lower.
- (2) Effective October 1, 1999, religious-sponsored child care facilities operating pursuant to G.S. 110-106 and licensed child care centers and homes that are receiving a higher rate than the market rates that will be implemented with this provision shall continue to receive that higher rate for a period of three years from the effective date of this section.
- (3) Effective October 1, 1999, licensed child care centers with two or more stars may receive a higher payment rate per child per month as follows: two stars - \$14.00, three stars - \$17.00, four stars - \$20.00, and five stars - \$23.00. Effective January 1, 2000, licensed child care homes with two or more stars may receive a higher payment rate per child per month as follows: two stars - \$14.00, three stars - \$17.00, four stars - \$20.00, and five stars - \$23.00.
- (4) Nonlicensed homes shall receive fifty percent (50%) of the county market rate or the rate they charge privately paying parents, whichever is lower.
- (5) Maximum payment rates shall also be calculated periodically by the Division of Child Development for transportation to and from child care provided by the child care provider, individual transporter, or transportation agency, and for fees charged by providers to parents. These payment rates shall be based upon information collected by market rate surveys.